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MSA Shipment News

Effective with the **January 1998** MSA Shipment data load, MSA implemented a new projection methodology to calculate the "Other Miscellaneous" segment based on distributor shipments to retail. The "Other Misc" segment represents shipments for all manufacturers not participating in the Cigarette Research Audit (CRA), including Commonwealth.

The purpose of this change in methodology is to more accurately reflect the importance of the "Other Misc" segment. In the past, MSA has used a .02% share of industry volume for "Other Misc". This .02% factor understates "Other Misc" volume nationally and does not allow for the significant regional variations in "Other Misc" performance.

Additionally, after Commonwealth acquired six BAT brands (Bull Durham, Crowns, Malibu, Montclair, Riviera and Special 10's) on November 1, 1996, Commonwealth and BAT had an agreement that BAT would continue to provide MSA with shipment data for these brands. This agreement has ended and since Commonwealth is not a CRA participant, MSA will now be reporting the estimated Commonwealth shipments under "Other Misc". In the event that Commonwealth does become a CRA participant, the new methodology will allow these brands to be broken out separately again.

The new "Other Misc" represents about 1% of Industry volume (versus the previous .02% for Other and .5% for Commonwealth). Historical data from **January 1996** forward has been revised.

Volumes for the major companies are not affected by the change. However, Industry volume will be slightly higher than previously reported and major company shares will change slightly.

While detailed company/brand/style information is not available for "Other Misc", MSA is providing a break-out of Full Price and Savings. Therefore, the following new brand styles have been added to the MSA Shipment product pick list:

OTMISCFP
OTMISCSV

If you have any questions regarding this change, please call Cindy Whiteheart at 741-0282.

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